

REAL ESTATE ASSESSMENTS AND TAXES – UNDERSTANDING the PROCESS

The three basic issues in understanding your real estate assessment and taxes:

Assessing and the Fair Market Value of Your Home or Business

Tax Billing

The Appeal Process

Assessing and the Fair Market Value or your Home or Business

The General Laws of the Commonwealth of Massachusetts require that each city and town keep all real estate assessments current. The State now requires that adjustments to assessments be made on an annual basis. An annual adjustment process should control some of the large changes in your assessment that could have occurred when using the triennial update process. The laws still require that the Department of Revenue inspect the town's revaluation process every three years.

The process of setting your property assessment involves studying sales of property in Monson that occurred within specific time periods. As an example, the fiscal year 2015 assessments will be calculated To reflect the value of your property as of January 1, 2014. The sales used in the analysis will be all sales **ONLY** occurring in calendar year 2013.

The assessment of your home is based upon the factors involved in the sales of all homes in general and homes like yours in particular. "Like" yours generally refers to style and location of the home. If your home is a colonial, the major sales used to generate your assessment are other colonials. The value of your home is then refined for location, the number of baths and bedrooms, other buildings (garages, sheds, pools etc.), and any other factor that might enhance or detract from value.

It is important to remember that the assessment is based on **past events**. The Board of Assessors Looks back on past sales activity. Conversely, a realtor looks forward to forecast what events will take place. The assessor's value is an opinion based on the market analysis of past events. The actual sale price of a home will not be set by the assessor or realtor. It will be set by both the buyer and seller And their perception of the value of the property.

TAX BILLING

The Town of Monson issues tax bills on a quarterly basis. The billing cycle begins on July 1st each year. Subsequent bills are issued July 1st and January 1st.

Tax bills are due August 1st, November 1st, February 1st, and May 1st. If any of these dates fall on a weekend or a holiday, tax bills are due the next **business** day.

The July 1st and October 1st bills are considered "preliminary bills." The amount on each bill is one quarter of the next amount paid in taxes for the previous fiscal year. This net amount would be the Original tax less any abatements or exemptions granted in the prior year.

The January 1st bill is the critical bill in terms of appeal. This bill is based on the new valuations and the new tax rate. Typically the bill is higher than the first two preliminary bills. All property appeals are filed on the basis of this tax bill.

THE APPEAL PROCESS

The key to the appeal process is understanding your rights and responsibilities. The Massachusetts General Laws, as they apply to property assessments, place the burden of understanding and proof on the taxpayer. It is your responsibility to properly and legally file an appeal and then provide proof that the Assessors have failed to correctly value your property.

THE APPLICATION

The key elements to filing a legal and proper application for abatement with the Board of Assessors are as follows.

1. The application must be received in the Assessor's Office (or have a U.S. mail postmark) on or before the due date of the third quarter tax bill. **The third quarter bill is issued on or about January 1 st and due on February 2, 2015.**
2. Application must be made on an approved form. Forms are available in the Assessor's Office or on the Town of Monson Assessors website: www.monson-ma.gov. Letters, phone calls, faxes, e-mail messages not submitted on the proper form are not legal appeals and must be denied automatically.
3. Your application should identify you property and the basis for appeal. The more information you submit, the better the Board can understand your appeal.
4. Check the Assessors records first. Make sure we have the correct data on your property. Come into the office and we will go over your information and answer your questions.

THE DECISION PROCESS

The Board of Assessors has three months from the date of your appeal to make a decision. The Board may ask you to attend a hearing or may require you to submit additional information. The Board reviews any information necessary. The process includes a review of existing data, and inspection of the property, review of neighborhood valuations in general, a review of comparable sales and assessments and the review of all material submitted with the application for abatement.

Within the three month period the Board will either grant an abatement or issue a denial of your request.

ABATEMENTS

If an abatement is granted, you will receive a notice in the mail showing the corrected tax amounts. Most abatements are granted on the basis of corrected or new information submitted to the Board. The information is corrected in the record permanently. Examples of these corrections might be the number of bathrooms in the home, the measurements of portions of the home, the age of the home, topography factors or location factors. These adjustments are typically permanent. This does not mean that your value will remain at a constant level. It means that these factors will now be used to calculate any future value.

Other types of corrections are not permanent changes. These corrections will be the primarily for the condition of the home. Such corrections are reviewed on an annual basis by inspections to observe if deficiencies have been corrected. Abatements are granted on the basis of the property value and not the tax bill amount. **A tax bill increase is not a valid appeal basis.**

DENIALS

After review, the Board may choose to deny or it may be deemed denied unless further documentation of proof is submitted.

APPEALING THE ABATEMENT OR DENIAL

You have the right to appeal the decision of the Board of Assessors in the Appellate Tax Board (ATB). The ATB is a State appeal process.

There are a number of conditions that must be met to file a valid appeal.

1. You must first appeal your value to the local Board of Assessors and receive a decision from them.
2. You must apply to the ATB within three months of the date of the Board of Assessors' **decision** (not the date of the notice). The decision is either an abatement or denial notice.
3. All relevant fiscal year property taxes must be paid timely. Succinctly, you must have paid any interest on your third and fourth quarter tax bills. **It is best to remember that an appeal does not stay the payment of taxes and that timely payment is a requirement for a successful appeal.**

The ATB process is organized to allow the taxpayer to personally present a case for overvaluation. This process is allowed under an informal filing with the ATB. Informal means simply that the ATB will not typically enforce the strict rules of trial evidence. It is not necessary under an informal procedure to retain an attorney. The decision to retain legal services is your decision. Likewise, the Board of Assessors does not typically use legal services in the informal procedure.

Once an appeal has been filed with the ATB, it is legal to negotiate a settlement with the Board of Assessors.

Understanding your rights and accepting the concept that the burden of responsibility and proof is with you, is key to the process. If you fail to pay your taxes or file documents in a timely fashion, the ATB will Dismiss the case. The Board of Assessors has no discretion in these matters. Appeals that do not meet the basic filing requirements are dismissed.

Further information on property tax laws can be found in Chapters 58, 58A and 59 of the Massachusetts General Laws. The ATB can be reached at (617)727-3100 or www.mass.gov/atb

If you have any questions or comment, please feel free to call the assessors' office at (413) 267-4100 option 7.